

Cash Resources Turns 25

25 YEARS
ASSISTING AUSTRALIAN BUSINESS
CASH RESOURCES AUSTRALIA

Cash Resources Provide Linke to Funding

A large Barossa Valley company, Linke Contracting, recently moved its Debtor Finance away from a major bank to Cash Resources.

The company provides a broad range of services including mining, earthmoving, bulk haulage and civil works.

While they provide services to a wide variety of industries, a large component of their work is done in the mining industry. They employ more than 90 staff and operate a modern fleet of tip trucks and other earthmoving and mining equipment.

Along with many other Australian companies, the GFC had a serious impact on the business. "Not only was there a downturn in business, many of our clients took much longer to pay," explained Kym Linke, the Director of Linke Contracting.

"In our business, staff, materials and fuel had to be paid before we got paid. This placed enormous pressure on our cash flow," he said.

"David and his team at Cash Resources are quick to respond to any of our enquiries"

In addition, Australia's wine industry suffered and this also had a negative impact on the business.

Linke Contracting had a long standing relationship with one of the major banks. However, as credit tightened it became increasingly difficult for the company to meet the demands

of the bank. Their account was also transferred from the local branch to Adelaide, then back to the local branch, where there was a new manager who had no understanding of the business and their specific needs.

"It was at this point that we decided to investigate other options and

our finance brokers suggested we talk to Cash Resources," Mr Linke said.

"Compared with the bank, Cash Resources were far more flexible and more sympathetic to our needs. They tailored a package specifically for our business and the transition occurred with a minimum of fuss."

"David and his team at Cash Resources are quick to respond to any of our enquiries and any issues have been dealt with quickly and efficiently. With the Cash Resources facility in place the business has moved forward. Our cash flow has freed up and the outlook is much more positive," he said.



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November 2010 marks the 25th year since the creation of Cash Resources.

From a small office situated in Surrey Hills in Melbourne's eastern suburbs with a staff of three, it is now truly national with fully operated offices in every main State, employing over 40 staff.

CRA evolved through a partnership being, Marcel Kaye, Alan Kaye, Bob Pethard and Bill Roberts. Bill sold out in 1994 and Alan subsequently became managing director.

The remaining partners continued to build the business and over the twenty five years have become a major player in the Australian Debtor Finance industry.

Sadly Bob Pethard passed away early in 2010.

Cash Resources is one of the foundation members of the Institute of Factors and Discounters of Australia and New Zealand.



“ Yes it's been an incredible journey. From those humble beginnings when no one had heard of Invoice Discounting and those who had, considered the facility a last resort, to today, where it is one of the fastest growing forms of business finance in the world.

However, we couldn't have achieved what we have without the support of our loyal clients and staff and the close relationships we have with Accountants and Finance Brokers.

We thank you all for the valuable contributions you have made to our business and hope you can be part of the Cash Resources family for many more years to come. ”

– Alan Kaye, Cash Resources Managing Director

“ Cornwall Stodart has a long association with CRA, dating back to 1985. We have enjoyed partnering with CRA in their endeavours and participating in their growth and expansion. We look forward to continuing our relationship for many years to come. ”

– John Hutchings, Cornwall Stodart Lawyers, Melbourne

“ Cash Resources have been an enormous assistance to our business. Congratulations on your 25 year service to Australian business. ”

– Margaret Catajar, A.T. Manufacturers, Melbourne

“ After forty years of legal practice I have learned that clients are either a delight to act for or a pain in the proverbial. I have acted for Cash Resources for twenty years and I still put them in the 'delight' category. ”

– Michael Randle, Randle Barristers & Solicitors, Adelaide

“ PointB congratulates Cash Resources on their 25th birthday. We are very proud to be associated with such a success story in the Australian Finance Industry. ”

– Peter Smith, PointB Advertising and Design Pty Ltd, Melbourne

CRA Funds MCA Growth

A New South Wales mining services company continues to grow with the assistance of debtor finance from Cash Resources Australia.

MCA provides a wide range of installation and construction services to both surface and underground mining companies throughout Australia. Their services include full design, construction and installation of all types of projects from fire systems through to major crusher installations, rising mains pump stations, shaft work and ground support.

The company has an impressive list of clients such as BHP Billiton, Xtrata Copper, NewCrest and Peak Gold.

Formed in 2004, MCA has achieved spectacular growth, but as Director Paul

wages so you can't wait another 60 or 90 days to get your invoice paid – just like any construction project,” he said.

Up until two years ago the company was with the Commonwealth Bank, but with credit tightening up the bank was making it increasingly difficult for the company to trade, so they had to look for other sources of finance.

“I came about Cash Resources by searching online and they came up as an option. I got on to Cash



Barwick explained, “growth doesn't come without its problems. When you have got a business that grows fast, cash flow is your biggest problem.”

“We've gone from two guys to 120 in five and half years, with a huge amount of equipment too. We've got \$3 million worth of property now and \$6 or \$7 million worth of equipment, so trying to cover all that and keep up with everything, you need the cash flow to do that,” he said.

“Quite often we have a start up cost of a job that might be \$500,000 and we might not be able to invoice that for six or seven weeks after the start of the job. Sometimes we have to modify equipment before you go to site to make it suitable, you have got to buy equipment, you've got to employ people, you've got to train people. You could have up to three or four weeks training before they even earn a dollar. Obviously there is a significant cost of

Resources NSW Manager John Saliba, and he sent a guy up the next day. Within a week, we had funds flowing, and it turned around our business,” Mr Barwick said.

“One of the key reasons we selected Cash Resources was the flexibility of their service.”

“Without doubt, Cash Resources kept us afloat...”

“Cash Resources' service has been terrific. When we've needed it (money), they've provided it. You're not going through a Board of

Directors like a bank where they've got 8 or 10 people who have got to tick it off. With Cash Resources, John is available 24/7,” Mr Barwick said.

“Without doubt, Cash Resources kept us afloat back in the times where we desperately needed it. They can't help you enough. They've been terrific. They are prepared to go outside of the standard, where the banks can't do that,” he said.

Slow Paying Businesses Stifling SME Business Growth

By Alan Kaye
Managing Director
Cash Resources Australia Pty Ltd

It seems that following the GFC many businesses are now holding on to their cash longer, by delaying payments.

Slow paying customers are a major problem for companies. They consume time and resources, chasing invoices and threatening the very lifeblood of businesses. The fact is, the slow recovery is forcing many businesses to survive from one invoice to the next and a late payment can potentially bring that business to its knees.

A recent survey showed that over half of Australian businesses are experiencing slow paying customers. Furthermore, the average payment time is now well over 50 days.

When you combine this situation with the fact that business finance is so difficult to secure, this makes business growth very hard to achieve.

Quite often the 'slow paying habit' has a snowballing effect where a business which is suffering at the hands of a slow paying debtor has no choice but to treat their creditors in the same fashion and so on.

One way that business can overcome these short term difficulties is Debtor Finance. Debtor Finance gives you access to up to 80% of the value of your invoices within 48 hours.

This enables you to control your cash flow, eliminating the guesswork and worry of when your customers will pay you. Importantly this enables business owners to focus on their core business and spend less time on chasing invoices.

Cash Resources Australia is an independent, Australian-owned, non-bank financier offering confidential invoice debtor finance to small and medium-sized businesses. They have offices in every mainland state and employ over 35 people. They are also a foundation member of the Institute of Factors and Discounters of Australia and New Zealand.

Prepare Now for the Christmas Cash Flow Crunch

Small businesses are urged to start preparing for the Christmas shutdown period now to avoid traditional cash flow shortages that are often to blame for a spike in insolvencies in February. As business shuts down over the Christmas period and the normal payment cycle halts, start-ups and small businesses can find it difficult to get their invoices paid.

Many businesses face a slowing down of incoming cash flow during the Christmas period. Start-ups in particular must be prepared. As new businesses, they are even more vulnerable because their turnover is less consistent and less established.

Small and recent start-up businesses must plan ahead to protect their financial situation and attempt to keep cash flow as steady as possible. Prior to the Christmas period, secure additional working capital, or think about selling any non-core assets in order to inject funds into your business.

A rolling cash flow is another sound way to ready your business. By forecasting three months in advance, you are able to



identify and plan for periods where cash flow might be unstable or strained. That way, you can make certain that you are equipped to manage tough times and can allow enough buffer to ride out any rough patches.

Having a contingency plan in place is vital. Thorough preparation and trying to anticipate your best response in a worst-case scenario – like losing a major customer – helps reduce that risk. Small and medium businesses must be cautious of relying too heavily on just one customer, and are advised to minimise the risks associated with situations where one major customer makes up a large portion of their revenue.

Alternatively, you could consider a Cash Resources debtor finance facility. This gives you access to up to 80% of the value of your invoices within 48 hours, enabling you to avoid the Christmas cash flow crunch.

CRA will be closed for Christmas from Friday December 24 at 12 noon and will re-open Tuesday January 4, 2011.

We wish you all happy and safe holidays.

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