

# Newsletter



# BALANCE

## Cash Resources Funds Growth for Antipasto Manufacturer

Six years ago a Melbourne based antipasto manufacturer, Andrews Food Group changed direction, which resulted in spectacular growth. However, this growth did come with some problems.

The business was founded in 1988, manufacturing a range of antipasto products under the name of Argents Hill County Cuisine. In 2000, the business relocated to a new dedicated facility in Laverton North.

The business branched into specialty lines such as semi-dried tomatoes, char grilled vegetables, pestos and chunky style dips. Their success was immediate and strong. They sold their products through a national food service wholesaler who supplied restaurants, cafes, hotels and caterers.

As company director Mr Bob Andrews explained, "The growth was exciting, however, with the growth came a rapidly growing debtors and creditors list and we suddenly realised that we did not have the working capital to continue the growth."



"We started the business on a shoestring, however, to maintain our growth we needed some outside funding," Mr Andrews said.

That's when the company sought the advice of Wangaratta based Finance Broker, Fraser Jeffrey. Mr Jeffrey had arranged finance facilities for Bob Andrews for over eighteen years.

According to Mr Jeffrey, "Some businesses are particularly suited to Invoice Discounting and the Andrews

Food Group was one of those companies."

"I have a number of clients who use Case Resources and as a result, had no hesitation in recommending them to Bob Andrews."



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**"From the outset they were extremely helpful and always anxious to meet our needs."**

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# Business Owners Tend to Underestimate the Importance of Working Capital

As today's economy starts to gain momentum, many people are putting their dreams of owning a small business to work with the opportunities that today's financial market offers. A few decades ago, starting a small business meant saving or somehow acquiring a large amount of capital. Losing the business meant losing everything.

Today, one can greatly decrease the risk of business failure by having the financial resources one needs to not only give the business a strong start but to keep it going during the good times and the bad. The main reason for this is having working capital finance facilities.

Utilising working capital finance is not a bad idea, and is implemented by many major corporations. Not only does it protect a company from disruption of events in unexpected circumstances, but also allows revisions and expansions when a business decides a new strategy could be of benefit.

Working capital finance gives a business strength, flexibility and stability. That's why so many smart business owners today choose to have capital finance working for them.

New businesses and small firms often find themselves in working capital crunches. Without adequate working capital, they cannot build inventory or purchase raw materials. As a result, the company cannot sell enough products to

**With working capital, you know you can fulfil the needs of your business and your target market no matter what kind of unexpected situation happens.**



generate the profits needed to rectify this situation.

This is extremely dangerous and can be destabilising for the company or even cause it to collapse.

Ensuring your business has sufficient working capital will go a long way in making the difference in whether your vision succeeds or not.

With working capital, you know you can fulfil the needs of your business and your target market no matter what kind of unexpected situation happens. You and your business can rise to the challenges and changes of today's ever growing and rapidly evolving business world. Working capital finance plans allow your business to have the safety of the financial backing it needs.

Today, you can get a great working capital finance plan without many of the challenges of yesterdays traditional lending procedures.

Cash Resources offers a unique debtor funding facility called Invoice

Discounting which provides business owners with greater flexibility to utilise the cash when your business needs it.

Invoice Discounting can be an excellent way for some companies to infuse much needed capital into their business. It is quite possible to run a very successful company and still not have the money necessary to cover basic expenses such as rent, materials and salaries.

Most companies that find themselves with not enough capital to meet their obligations will turn to a bank in hope of obtaining a loan. This can be a good option in some cases but may not be available for every business.

**Call your nearest Cash Resources Office today to find out how this facility can give your business the working capital it needs to flourish.**

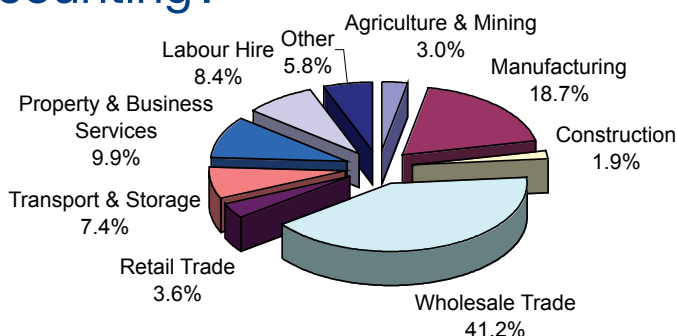
## Congratulations

Congratulations goes to Matthew Thursfield from our Brisbane office, who recently got married.

## Who is Using Invoice Discounting?

Invoice Discounting is particularly suited to some industries, as shown in the Institute of Factors & Discounters Quarterly Survey released.

Wholesale and manufacturers continue to be heavy users with business services and transport also representing a significant position of total Invoice Discounting turnover.



December Quarter 2009 – Percentage of Discounting Turnover

# Cash Resources Engineers Cashflow Recovery

A Melbourne engineering company recently engaged Cash Resources to help them solve a serious cashflow issue.

The company manufactures sheet metal casings for white goods and electronic panels. Established in the early 70's, the business had been owned and operated by a family. In 2005, the father retired and with no other family members willing to take over the business, he arranged a management buy out of the business by two of his long serving managers.

With little asset backing, the new owners agreed to pay the previous owner a monthly payment over 5 years.

"At this time, the business was running smoothly," said one of the new owners. "The next two years the business grew steadily and we branched out into making more intricate components."

This required more capital equipment and they approached the bank who assisted with a moderate loan.

"In late 2008, the economy started to tighten and our clients started to cut back on their orders. In addition, they also started to delay payments," he said.

This caused the company enormous difficulty, as they had to purchase sheet metal and steel to fulfil other orders. Their bank had become nervous and

was not willing to advance further funds.

That's when their Accountant suggested they look at Invoice Discounting.

They investigated three companies and finally chose Cash Resources.

According to the owner, "Cash Resources were quick to respond and very flexible with the facility they provided."

"We could be selective with what clients we included and there were no long term commitments."

"I had never heard of Invoice Discounting before but it was an absolute saviour for our business," he said.



## Cash Resources Funds Growth for Antipasto Manufacturer

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The resulting growth has been amazing and this could not have been achieved without the assistance of Cash Resources.

Today, the company turns over 5.3 million, has 22 employees and their products can be found in some of Australia's leading food houses.

Commenting on the relationship with Cash Resources, Mr Andrews said, "From the outset Cash Resources were

extremely helpful and always anxious to meet our needs."

"They are flexible and allowed us to Invoice Discount a portion of our book, unlike the banks who want absolutely everything."

"We have formed a close working relationship with Mark Butler from their Melbourne Office who has provided professional advice and has always responded promptly to our enquiries," he said.

## Obituary



**Robert (Bob) Pethard**  
1932 – 2010

The management and staff of Cash Resources are saddened by the passing of Director Bob Pethard.

Bob was a director of the company since its inception in 1986. He helped build the company from a small business at Surrey Hills in the eastern suburbs of Melbourne, to a truly national company, with offices in every state of Australia.

Bob was one of the great characters who made an impression on everyone who came into contact with him. He had a passion for food, wine and cars. Last year he realised a long-term ambition to visit Antarctica.

The entire team at Cash Resources extend their heartfelt condolences to Bob's wife, Julie and his three daughters.



# Cash Resources Goes Green

Cash Resources has recently upgraded its main computer software as part of its continuous improvement program. As an adjunct to this we have also migrated computer hardware from the resource-hungry physical set up, to the more sustainable power-friendly virtual set up.

As a result, instead of having eight physical servers running 24/7 all constantly draining power whether they are being utilised or not, we are now running only three physical servers.

According to research, for every server we switch off, we are reducing our carbon dioxide output by 4 tons – the equivalent of taking 1.5 cars off the road. So we alone will be helping our

environment by the elimination of 20 tons of CO<sub>2</sub> annually or 7.5 cars.

By running fewer, better configured physical servers, we are freeing up space and power, allowing the system to work harder and faster with less strain. We will also be saving power consumption in our air conditioning systems so that they will not have to work so hard to keep the servers cool.

Also, their maintenance and hardware replacement costs will be significantly reduced.

Cash Resources encourages all companies to review their IT resources and at the same time help their bottom line.

## Cash Resources Hits the Greens

The second annual Cash Resources Bowls Day was held late last year at the Adelaide Bowling Club. The day was well supported with over 40 finance brokers, solicitors, accountants and introducers participating.

The winning team consisted of Bruce Gibbons, Robert Richter and John Bachmeyer. Alan Kaye, the MD of Cash Resources and David Ciccolella, State Manager of South Australia were hosts of the day.



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