

EQUIP LEASING AND RENTAL

Equip Office Furniture is acutely aware that businesses today are more reliant on cash flow than ever before. And many businesses themselves recognise that an investment in equipment and resources can bring about significant improvements in efficiencies, revenue and consequently cash. One method to help you achieve that investment is a tax effective Finance Solution which allows you to purchase the products you need to expand without depleting your cash reserves on what is effectively a depreciating asset.

As a service orientated organisation Equip is fully aware of the time constraints that all business people have. That is why we have a commercial partnership with a leading finance provider who can do everything required to facilitate a finance solution. This enables you to have the option of Finance as an integral part of your office furniture solution.

ADVANTAGES OF THE EQUIP OFFICE FURNITURE FINANCE PROGRAMME TO CUSTOMERS

- EARLIER PURCHASE OF EQUIPMENT

Many companies simply do not have the funds to purchase equipment and therefore lose productivity and consequently revenue and profit. Therefore, businesses use finance to purchase equipment they could not have otherwise afforded. This enables them to reach their desired levels of profit and productivity.

- IMPROVES CASH FLOW

In other circumstances, businesses may have cash reserves to purchase equipment. However, in today's competitive business environment, almost all industries are experiencing reduced profit margins and are required to manage cash flow very carefully. Therefore the decision to use cash to purchase depreciating assets (such as office equipment), is being replaced by the decision to finance the purchase of equipment. This leaves cash available to inject into the growth of the business ie higher quality staff, better conditions, better quality products, research and development? The list is endless.

- TAX ADVANTAGES

Finance has become such an integral part of business that the tax department recognizes the costs associated with financing. Therefore, companies are able to claim either the payments or the interest and depreciation (depending on the finance type) as an expense to the business. This is obviously of great benefit to business, as this ultimately reduces the tax they are required to pay at the end of the financial year.

- OBSOLESCENCE

Due to the nature of most equipment, upgrades are required on a some-what regular basis. Consequently many companies choose to spread the cost of the equipment over the life of the equipment (ie 2-5 years). When the contract has expired and equipment is obsolete, they simply purchase new equipment on finance and enter into a new contract.

- CAPITAL EXPENDITURE LIMITATIONS

Many companies and larger organizations (ie government, non-profit) are limited to purchases by the provision of capital expenditure budgets. The use of finance can quite often be structured so that the customer can acquire the equipment and still fit within their budgets. Outright purchase of equipment will regularly constrain businesses on the time at which they purchase. Finance can alleviate this problem.

- FLEXIBILITY TO MEET CUSTOMER NEEDS

All businesses are different and have different needs. Some businesses are seasonal, therefore required structured pricing to suit the seasonal revenues of their business. Some other businesses require the contracts structured to help achieve taxation objectives? What ever the reason, finance can usually be structure to achieve the goals of the customer.

- MULTIPLE OPTIONS AT END OF TERM (Operating Lease/Rental)

The decision to finance equipment using Rental Finance (also referred to as Operating Lease) enables the customer greater flexibility at the end of term of the contract:

- a) Upgrade to new equipment;
- b) Re-rent the equipment at discounted payments over a fixed term;
- c) Continue to rent the equipment on a month-month basis as required;
- d) Offer to purchase the equipment at Market Value;
- e) Simply hand the equipment back without any residual obligation;

As many businesses grow and reduce in size over time, their needs are quite often under or overestimated. Thus the flexibility of Renting equipment is a quite viable long term finance solution.

Example: \$1.00 Buy Back Rental Rates through Seiton Finance.

Cash Price	24 Months	36 Months	48 Months	60
\$2,000 - \$4,999	54.51	39.47	32.07	27.
\$5,000 - \$9,999	50.53	35.59	28.17	23.
\$10,000 - \$24,999	49.1	34.41	27.11	22.
\$25,000 - \$49,999	46.82	32.51	25.42	21.
\$50,000 - \$99,999	46.53	32.28	25.23	20.
\$100,000 +	Please call for quote			

Example Quote

Equipment Value	\$10,000 ex GST
Term	60 months
Therefore use rate	22.76
Calculation =	$10,000 \times 22.76$
	1000
Monthly Repayment =	\$227.60 ex GST

The above factor / 1000 rates, include stamp duty, but NOT GST.

Seiton Finance Notes

1. Business to be established three (3) years+
2. Directors Guarantees required
3. Directors preferably property owners
4. No payouts to be included in the cash price
5. Goods must be new and hardware only
6. Commercial Transactions only (No transactions under Consumer Credit Code 1.11.96)
7. Payments strictly by Direct Debit. Clients requesting payments by invoice must pay quarterly in advance and a fee may apply