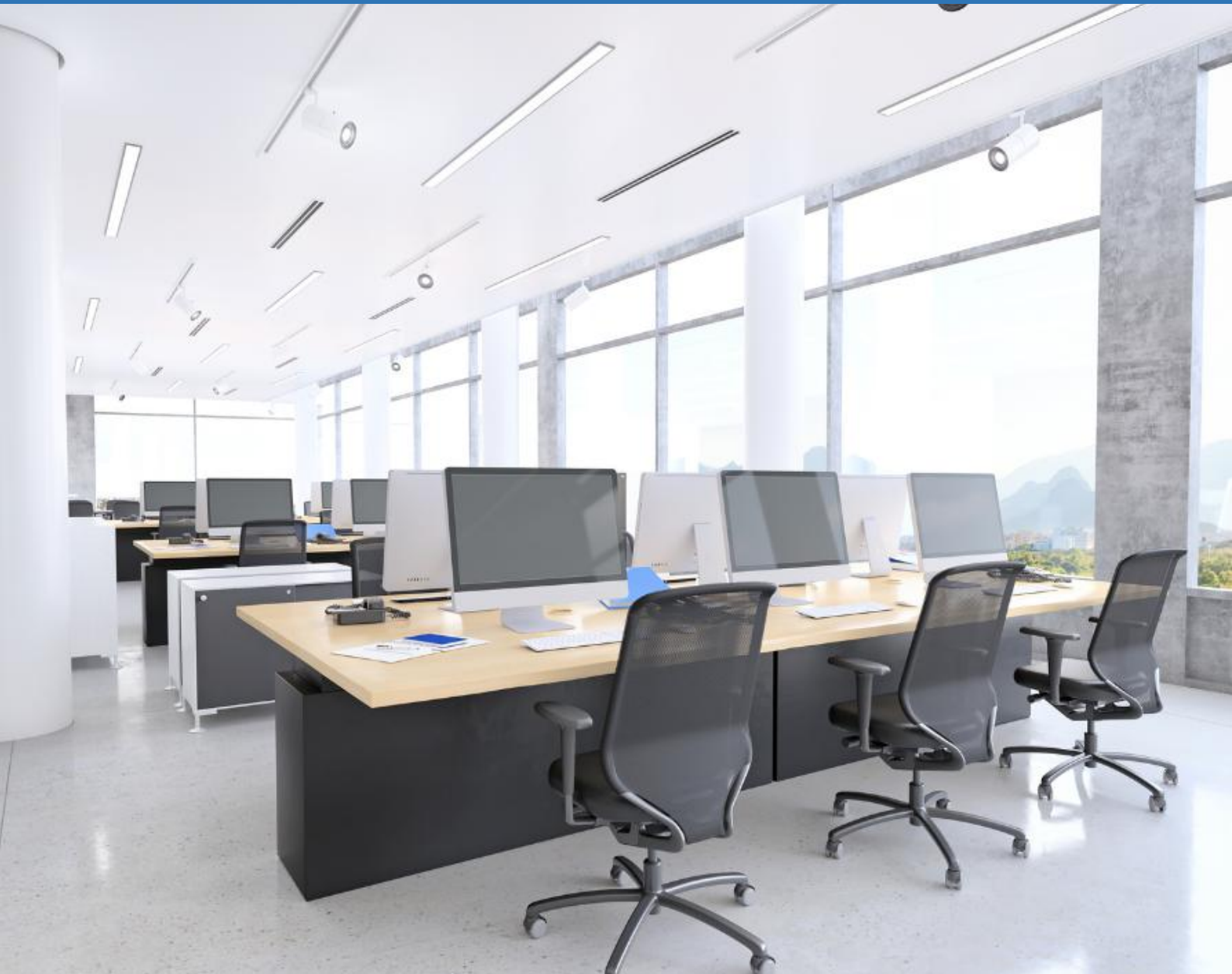




THE Fitout Finance Handbook



Sharon Piening

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Why the Handbook was created

Financing the fitout of commercial premises is a smart alternative to using business funds that may be needed to fund ongoing operations and growth.

However, Fitouts can involve outlaying substantial capital, and if not handled the right way, it can be enormously time consuming.

The 500 Group has been assisting business owners with Fitout Finance for more than 25 years.

This Handbook was created to assist business owners effectively plan a Fitout and avoid common pitfalls.



What can be financed?

A wide range of items can be financed using Fitout Finance including:

Cabinetry
Bench tops
Fixtures
Furnishings
Signage

Shelving & Racking
Storage
Security Systems
Counters
Point of sale
And more

If you are unsure what can be financed - don't hesitate to get in touch.



What can be financed?

Further examples of what can be financed include:

- Refrigeration systems
- Ovens
- Tables and chairs
- Shelving
- Display cabinets
- Culinary equipment
- Phone systems
- Alarm systems
- Office desks
- Board Room tables & chairs
- Computer equipment
- Filing cabinets
- Delivery vans & motor vehicles



We can provide you with highly competitive Equipment Finance tailored to your cash flow and specific needs!

Like Fitout, Equipment Finance is highly specialised. It is important the right product and structure are chosen to avoid expensive mistakes!

Fitout Finance benefits

Financing fitouts offers many benefits including:

- Preserves working capital
- The cost of fitout is spread over time allowing benefits to accrue
- Fixed Interest rate
- Competitive rates from our panel of Lenders
- Flexible terms up to 5 years (subject to credit approval)
- Flexible drawdown arrangements
- Option for no repayments during the drawdown process
- Depreciation & interest may be tax-deductible
- Wide range of items can be financed
- Payments to suppliers coordinated and made on your behalf
- A range of fit-out finance options including Lease or Chattel mortgage.



Why use a Fitout Finance Broker

Fitout Finance is highly specialised.

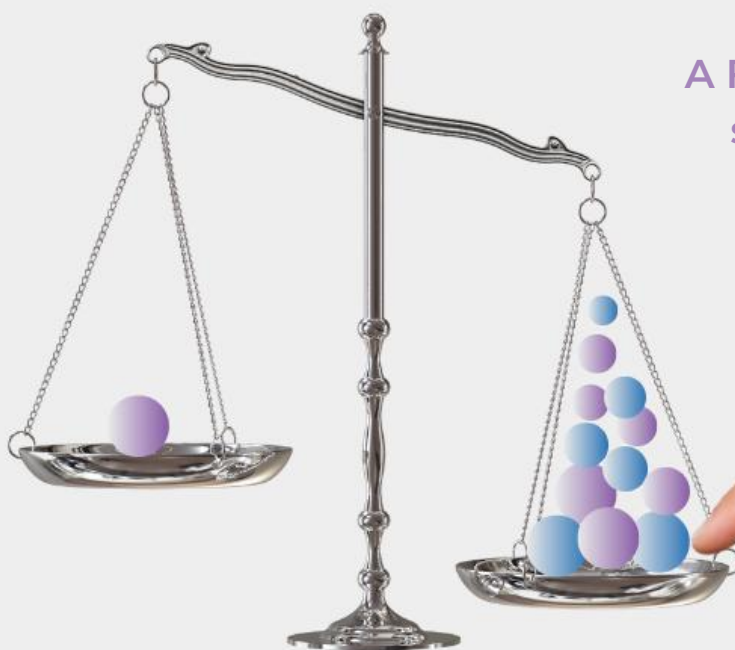
It involves many different facets that need to be carefully coordinated to ensure problems do not arise.

If not properly managed, it can be an extremely time-consuming process.

As a business owner, your focus needs to be on running the business, not putting out fires because the Financier doesn't understand the intricacies involved with Fitout Finance!



Sharon Piening
Fitout Finance Specialists
0433 210 353



A Finance Broker tips the scales in your favour!

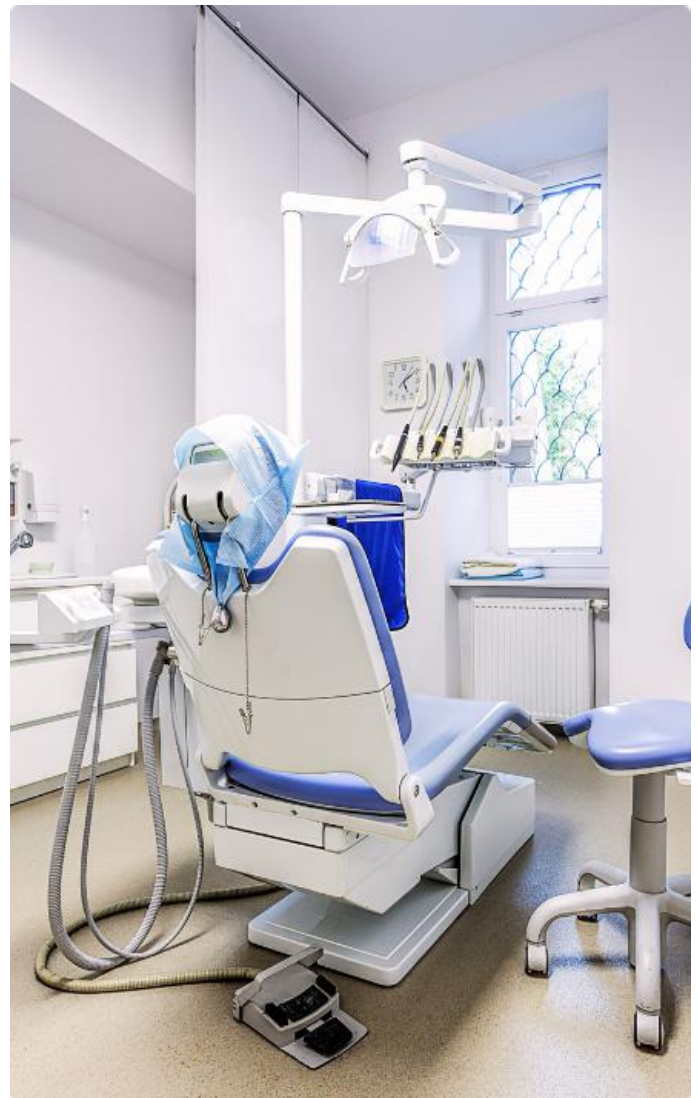
Businesses that use Fitout Finance

If you are in business, it is very likely you can use Fitout Finance!

Fitout Finance can be used for new premises or to refurbish/update your existing premises

It is typically used by businesses in a wide range of industries including:

- Retail Stores
- Offices
- Warehouses
- Restaurants
- Cafes
- Hospitals and Medical Clinics
- Veterinary Clinics
- Dental Practices
- Professional Suites and Offices



How to plan your Fitout

When planning your Fitout there are a number of elements you need to consider:

- What return on investment are you looking to achieve as a result of the fitout? How will you ensure this is realised?
- The layout and foot traffic
- Will the quality and finished look fit your brand?
- What finishes will be used? Whilst hard finishes look great, it is important to consider the noise element
- When will the work be completed (Shopping Centres have rules in this regard)
- What access arrangements will you need to make for suppliers?
- Will you be using one supplier or multiple suppliers? (One supplier can coordinate all the trades involved & manage invoice payments making the process easier)
- What experience do the suppliers have in your industry?
- Are they willing to let you speak with former clients?
- If you are leasing premises, it is important to ensure the fitout complies with the terms of the lease
- Do you need to provide notice to the landlord - if so how long?
- Price is important, but it should not be at the expense of quality as first impressions count!



The Fitout Finance process

When you are ready and understand the requirements of your lease:

- Document your specific requirements, timelines , etc.
- Decide the suppliers from whom you will seek a quote
- Ask details of their experience in your sector
- Seek details of former clients and inspect their work
- Obtain written and detailed quotes, including timelines (You will need to provide details of the project costs, with quotes and invoices from the designer, builder, and/or fit-out specialist, you've hired to complete the project).
- Confirm any special access arrangements they may require
- Get in touch with me, to obtain guidance as to which product or structure is best for you - (I will also tell you what information Lenders require)
- Gather all needed financial and other information
- Based on this information, I then undertake research to provide you with a highly competitive quote from our panel of lenders



Financing Options

There are two primary ways of arranging your Fitout Finance

- You make payments to suppliers out of your cash flow - then submit all the invoices to the Lender. After they have inspected the work, we can arrange a sale & lease back and drawdown the Fit out Finance Facility.
- We can set up a Escrow facility, and make progressive payments to suppliers under your instruction

How an Escrow Account works

An Escrow Account basically operates like a line of credit that allows us to make payments to suppliers against invoices under your instructions, up to a pre-determined limit.

If you decide during the process to make some payments from cash flow to reduce the amount financed, that is okay.

When all payments have been made, and the installation/work has been inspected, the Escrow Account converts to a finance facility.

Other benefits include:

- You only pay interest on the drawn portion of the Escrow facility
- Once the project is complete, the Lender issues one invoice covering all payments
- You don't commence repayments on the loan until after the project is complete and the Escrow facility is converted to an Equipment Finance facility

Financial Information required

To get the finance approved, you will be asked to provide the following information:

- Your last two years company Tax Returns and year to date Management Accounts
- Directors personal Tax Returns
- In some instances, you may be asked to provide Financial Projections and assumptions (Usually limited to start-up businesses)
- A list of your personal Assets and Liabilities
- A copy of your premises lease if applicable
- Identification documents - copy of Drivers License and Medicare Card
- Copy of latest current Rates Notice for any properties owned

Insurance

As part of the process, you will need to provide the Financier with a Certificate of Insurance covering the items financed with the Financier interest noted.

Sharon Piening

As a business owner, I understand the challenges & joy of running a business!

I have an in-depth knowledge of Fitout Finance and what is needed to deliver the right outcomes for my clients.

I love the complexity and the different facets involved with this type of Finance.

I have a practical, down to earth approach and strive to make my client experience as seamless as possible.



Strengths

Knowledge of the market and different industry sectors

Exceptional organisational skills

Persistence - I am tenacious when negotiating competitive Finance Packages for my clients

Ability to structure finance to align with cashflow

Industry Experience

Manufacturing

Retail

Transport

Construction

Medical & Dental

Shopping Centre Fitouts

Restaurants and Cafes

Contact

Mobile: 0433 210 353

Email: sharon@the500group.com.au

The 500 Group are an award winning, Melbourne based, broking firm specialising in arranging finance for business owners.

We strive to build long-term relationships with our clients. To be there for them as their needs change and evolve.

Because we have experienced specialists in each of the equipment, business and home finance segments, we offer our clients one contact point for all their finance needs.

You tell us what you require, we then:

- Undertake research to find the most competitive offers
- Negotiate with Lenders on your behalf & keep you informed
- Prepare a Finance Application to the chosen Lender
- Manage the process through to settlement

This saves time and frees you to focus on what is important - running your business and creating wealth.

In the future if you require finance, be it for equipment, the business, home or investment finance, you simply get in touch and we take it from there.

The Finance Experts for Business Owners

The Finance Experts for Business Owners

www.the500group.com.au

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The 500 Group Pty Ltd ACN 620 959 202 is a corporate credit representative(501919) of BLSSA Pty Ltd ACN 117 651 760 Australian Credit Licence Number 391237