

Use Business Finance to get the equipment you need to get ahead.

- ✓ **No need to use working capital**
Save your cash for building your business
- ✓ **Tax deductible (discuss with your Accountant)**
Save money
- ✓ **Separate Business from Personal**
Keep your personal life free
- ✓ **Easy application process**
Approvals given in-store, while you wait
- ✓ **Low monthly payments**
Help spread your cashflow
Match income to payments

Key Person Payment Protection Insurance (KPPP)

You simply can't predict the future, although you can prepare for it. Key Person Payment Protection (KPPP) is a simple insurance product that covers your business loan payment obligations in the event of unplanned disruption to your income and ability to pay.

Death - We will pay the total amount owing or outstanding under the Finance Contract as at the date of death, not including any arrears of more than three months or missed payments or additional interest that has accrued as a result of arrears or missed payments.

Disablement - Totally unable to attend or engage in your usual business or occupation, or in any business or occupation for which you may be reasonably suited by education or training, as a result of illness or injury

Bankruptcy - You being self employed and being declared bankrupt by the New Zealand High Court.

The above is a snap shot only of this comprehensive policy and is subject to the terms, conditions and exclusions that apply in the full policy wording.

Things you should know:

Finance Now is a Qualifying Financial Entity under the Financial Advisers Act and a copy of our full written disclosure statement is available on our website www.financenow.co.nz free of charge. Insurance products are provided by a third party. The information contained in this flyer is a guide only and does not take into account your business situation.

Want to know more?

Speak to your salesperson or call us on 0800 365 287

financenow.co.nz

MAKE YOUR BUSINESS MORE EFFICIENT WITH BUSINESS FINANCE

FLEXIBLE BUSINESS
RENTAL AND LOAN OPTIONS



Business Rental

A contract whereby the Customer has full use of the equipment but Finance Now retains ownership. The Customer is required to pay a monthly rental for a minimum contracted term. The Customer may retain possession of the equipment after the minimum term provided they continue to pay monthly rentals to Finance Now. The Customer must return the equipment to Finance Now once the contract is terminated.

Payments are monthly in advance.

Business Rentals can be tax deductible and usually off-balance sheet, with payments expensed through the Customer's P&L account. The Customer should consult their Accountant for specific tax advice on their rentals.

Benefits

- ✓ Customer has full and immediate use of equipment but NO ownership
- ✓ Payments monthly in advance
- ✓ Get the equipment you need now without affecting your current cashflow and funding arrangements
- ✓ Usually off-balance sheet and may be 100% tax deductible*
- ✓ Time your repayments to match your income
- ✓ Ability to upgrade equipment at the end of the minimum term

*Consult your tax specialist to confirm any tax benefits that apply to your business.

Business Rental vs Business Loan

Which should I choose?

Here are a few things to consider when choosing a finance product.

Equipment life cycle?

"High depreciating", technology equipment such as laptops, printers, EFTPOS terminals, etc might be on a Business Rental, then upgraded once the initial term has finished.

For equipment with a life cycle of 5 years, or more, you might want to consider a Business Loan, so that you can continue to own and use the asset once the loan has finished.

On or Off Balance Sheet?

If the asset is core to your activities, and should be owned by the business, then a Business Loan is probably the way to go.

If the goods are simply a tool to assist your business (PC/laptop, printer, phone etc.) then you may consider a Business Rental and treat the use of the goods as a business expense.

Tax approach?

You should always consult your tax specialist for advice, but in broad terms:

Business Rental payments can generally be expensed, and therefore lowers your tax liability on your P&L statement.

Business Loans allow depreciation to be claimed on the asset, while the finance costs (interest, fees etc.) can be expensed.

Business Loan

A contract whereby the Customer is advanced funds, usually for the purpose of a capital equipment purchase. Any items purchased are owned by the Customer from day one. Finance Now will typically register a security interest over any purchased item, although there are alternative security methods available.

Payments are monthly in arrears.

The advance is recorded on the Customer's balance sheet, with the interest portion of the monthly instalments being expensed.

Benefits

- ✓ Payments monthly in arrears
- ✓ Get the equipment you need right now
 - Conserve cash reserves
 - Ideal for unexpected purchases such as equipment for new staff
- ✓ Fund specific purchases without compromising your general finances
- ✓ Spread the cost with no deposit requirements and affordable monthly payments
- ✓ Time your repayments to match your income
- ✓ Businesses are able to claim tax deductions on the interest and fee repayments