



# Save Time & Money

## Barrel & Winemaking Equipment Finance - Made Easy

We now offer much more than finance and logistics for barrels. Winemaking equipment such as crushers and fermenters as well as racks, bungs, grape picking bins and more - if you can move it we can look at financing it for you.

With clients in every winemaking region in Australia and New Zealand, the flexibility of our services is considered second to none. Save yourself barrels of time and money by dealing with us.





# Our Company

Established in 2003, our first vintage saw us finance 1,140 barrels across South Australia. In 2009 BFL expanded into New Zealand and our clientele has continued growing every year since. As of 2013 we finance over 17,000 barrels.

As part of the ever changing wine industry, we have also begun financing other winery equipment too. Our staff have over 40 years' experience in the wine industry and are happy to provide expert help for all of your finance and logistics needs.

## One Solution to Your Finance Needs

Our business model is simple - you get to deal with one company, one invoice and one currency for all your barrels and equipment.

We give you an alternative to dealing with banks and other finance companies who don't understand the wine industry by working closely with you to structure a finance deal best suited to your needs and cash flow. With flexible terms we give you the option to make lump sum payments or even finalise the deal without incurring any penalties.

We use the barrels and equipment as security so there is no need for us to take security over your business or personal assets.

Our logistics service makes things simple. All you have to do is choose the barrels and equipment you need for your winery and on your behalf, BFL can:

- Negotiate the best possible prices on your barrels and equipment
- Place the orders for you
- Insure the selected items in your winery

- Communicate with coopers and other suppliers in relation to outstanding orders and keep you posted on expected delivery dates
- Attend to the supplier invoices – they will come directly to us
- Organise and pay for customs clearance, duty and ultimate delivery to your winery
- Liaise with the cooper, manufacturer and/or insurer if any problems are experienced with the barrels and equipment

Bundling winery equipment as well as barrels into your finance deal allows you to free up working capital for your business.

**“BFL makes the process so much easier – one invoice, no supplier hassles, competitive pricing. We have just completed our eighth vintage with BFL and are very happy with the service.”**

Graeme Tucker, Chief Financial Officer  
Grant Burge Wines, Barossa Valley, South Australia

# The Benefits of Renting

- Paying upfront to purchase expensive barrels and equipment can affect your cash reserves. And ending up with severely depreciated assets doesn't always do the business any good. Speak to your accountant for further information.
- Payments are fixed in \$AUD for the term of the rental period and there are no penalties for early settlement.
- BFL manages freight, customs clearance, insurance, foreign exchange payments and delivery directly to your winery.
- We do not require personal guarantees or security over personal or business assets.
- Renting or leasing equipment takes the strain off your cash flow. And it usually means a tax advantage and a healthy balance sheet.
- Rental payments don't usually appear as balance sheet liabilities. Instead, they are treated as an operating expense and may have taxation advantages. As an expense item, these payments can also fall outside of annual capital budget allocations. This may mean improved balance sheet ratios. If this idea appeals, then check with your accountant or legal advisor, and if it's right for you, we're ready and waiting.
- Every BFL rental is tailored specifically for you and the equipment your business needs. This means you get flexibility at every stage, so that each rental contract matches the 'useful life' of your equipment.



# For Your Information

## Is BFL offering me a Finance Lease or an Operating Lease?

An Operating Lease. The relationship between you and BFL is of the nature of a hirer/hiree relationship, as stated in our Master Rental Agreement (MRA).

## What is the difference between BFL and bank finance?

### All-inclusive Service

Our product is much more than a financial supply. You only need to provide us with a list of barrels and equipment. We handle the process from there – purchasing, payment, sea-freight arrangements, inland transport and insurance.

### Industry expertise

We buy and ship barrels and equipment ourselves, and we are the number one customer of most cooperages in the Asia Pacific region. We know the oak business intimately and our industry knowledge and connections are highly valued.

## Economies of scale when purchasing barrels and equipment

While we pride ourselves on being completely independent and will not favour one cooper over another, we purchase a very large number of barrels and equipment each year. As banks simply provide funds, not a purchasing service, they are not able to realise the same economies of scale.

### All inclusive figure quoted

The rental figure quoted to you covers all of the costs associated with your barrel procurement including freight, clearance and insurance. There are no application fees or processing fees.

## What is your interest rate?

We aren't giving you a loan, we are renting you barrels and equipment. You aren't being charged interest, you are being charged rent.

The rental payments charged are calculated based on a variety of factors, the obvious and main factor being how much the barrels and equipment cost.

Other factors we take into consideration include how long you agree to rent the barrels and equipment for, when we need to pay for the barrels and equipment as opposed to when you start renting them and the total number of barrels and equipment you are renting.

## What are the GST benefits of renting my barrels and equipment?

GST will be charged on rental payments and if you are entitled to claim the input tax credits, you can do so in the period in which your rental payments are made.

Clients tell us that it's frustrating from a cash flow point of view to come up with the GST for barrels and equipment being purchased outright – it's money that only needs to be paid out until your next BAS refund, but it's usually a material amount. By renting your barrels and equipment, the GST payments and refunds are spread across your use of the items, making cash flow much easier to manage.

Additionally, many other types of finance will not allow you to finance GST, meaning that money still needs to be found, even if the barrels are to be financed. This is not the case when barrels and equipment are rented through BFL.

## What are the tax benefits of renting my barrels and equipment?

Renting your barrels and equipment through BFL means you no longer need to calculate and keep track of tax depreciation for these items - a confusing and time consuming exercise.

Because you are renting the barrels and equipment instead of purchasing them, you no longer need to depreciate them for tax purposes. Instead, you simply claim the rental payments as tax deductions in the year in which the payments are made.

## Contact Us

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