



svpartners

specialist accountants & advisors

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# Building and Construction Capability Statement

1800 246 801

# The Sector



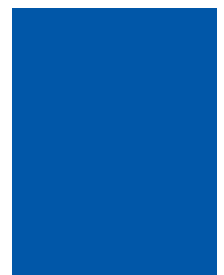
The building and construction sector is one of Australia's largest, employing over 1,160,000 workers (Dept. Education, Skills and Employment, 2019).

An integral part of the Australian economy, it encompasses a diverse range of occupations including carpenters, joiners, electricians, construction managers, plumbers and more.

With businesses facing difficulties including skilled labour shortage, intensified cost pressures and high insurance costs in a very competitive industry, business operators can find it hard to remain profitable.

The complex nature of construction projects means maintaining good cash flow can be particularly challenging. Undercapitalisation can put significant pressures on smaller businesses with many underestimating working capital requirements to fund projects.

Small profit margins and discerning clients seeking the best price and demanding shorter project timelines means building and construction business are under increasing pressure, often going over budget and over time. In addition, as an industry traditionally slower to embrace digital technologies, now is the time to adapt and identify opportunities to innovate and increase efficiency.



Now, more than ever, it's imperative to adapt, identify opportunities to innovate and increase efficiency in order to remain competitive.

# Our Approach

SV Partners is an expert accounting and specialist advisory firm focused on supporting business and individuals in financial stress.

SV Partners has been working with small to medium businesses across industries to help with financial stress for over 17 years. We work hard to ensure the best possible outcome by carefully considering the full circumstances, addressing concerns and providing tailored solutions.

Every situation is different and our team ensures that clients understand all of the options available to them in navigating through financial stress. We deliver superior outcomes by focusing on exceptional service delivery, respecting our clients, exceeding their expectations and working effectively as a team.



## National Strength with Regional Capability

SV Partners is a national practice represented across Australia by a team of over 150.

In addition to our metro offices, SV Partners maintains a strong regional focus in QLD and NSW with offices in Mackay, Rockhampton, Sunshine Coast, Toowoomba, Gold Coast, Wollongong, Newcastle, Dubbo and Tamworth.

Our industry experience has allowed us to develop expert skills and apply them across small and large scale matters across the building and construction industries.





# Our Experience



SV Partners has worked on a broad range of appointments, many of them unique and highly complex, with an appreciation of individual circumstances, attention to detail and decisive responses.

SV Partners has developed an in-depth understanding of the specific requirements and business operations having undertaken many appointments of varying difficulties across the building and construction sector.

Our experience has seen us appointed to many construction matters including appointments to developers, head contractors, contractors and sub-contractors.

## Free Initial Consultation

SV Partners works collaboratively with the business owners to assess the main concerns and priorities given the current situation.

We take a measured approach in our evaluation, making sure to consider individual circumstances and all contributing factors and discuss options for moving forward.



## Our Services

- ▶ Financial Stress Advice
- ▶ Turnaround Management
- ▶ Voluntary Administration
- ▶ Creditor's Voluntary Liquidation
- ▶ Court Liquidation
- ▶ Receiverships

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Our team are highly experienced and skilled, equipped to handle even the most complex scenarios in a sensitive manner.

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# Case Studies

## Aluminium Louvre Manufacturer/Supplier Voluntary Administration to Creditors Voluntary Liquidation

### The Situation

- ▶ SV Partners were appointed as Voluntary Administrator of an aluminium louvre business. At the date of appointment, there were 25 supply contracts on foot however the business was no longer trading.

### The Solution

- ▶ SV Partners sought to make agreements with a number of parties to complete work in progress and undertake maintenance/rectification works to maximise the value of the work in progress and monies received from various retentions (ie trade-on in a reduced capacity).

### The Outcome

- ▶ We successfully sold the company's work in progress and stock. Retention recovery proved to be a drawn out process due to the length of the defect liability periods and numerous disputes over pre-appointment workmanship. This enabled a greater return to the secured creditor that would have been available in a complete shut-down scenario.

## Remedial Earthworks Company Voluntary Administration to Official Liquidation

### The Situation

- ▶ SV Partners were appointed as Voluntary Administrator of the largest remedial earthworks company in Tasmania with approximately 75 employees. The company had a large secured facility including debtor factoring through a financial services company.

### The Solution

- ▶ SV Partners entered into a licence agreement for management and ongoing trading of the business with a view of selling the company's business and assets in order to meet secured creditor claims.

### The Outcome

- ▶ The matter eventually resulted in a court ordered Official Liquidation. SV Partners were able to successfully secure a sale of the business and assets in addition to recovering numerous voidable transactions.

# Case Studies

## Network Engineering Business

### Voluntary Administration to Creditors Voluntary Liquidation

#### The Situation

- ▶ SV Partners were appointed Voluntary Administrator of a company providing network engineering and support services to owners, operators and builders of mobile telecommunication networks in Australia. Accordingly, the company operated within a highly specialised and complex field. The major asset of the company was its debtor ledger.

#### The Solution

- ▶ We continued to trade the company in a limited capacity in order to facilitate the completion of certain works and administrative tasks required to be undertaken to enable the finalisation of debtor invoicing.
- ▶ There was a high number of disputes from debtors regarding invoicing which required our staff to quickly build an in-depth understanding of some complex terms, processes and procedures. This enabled far more productive dispute resolution and ultimately the ability to recover a greater amount.

#### The Outcome

- ▶ Despite particularly drawn out negotiations with a small number of debtors, priority creditors were paid in full and a portion paid to unsecured creditors.

## Home Builder

### Deed of Company Arrangement

#### The Situation

- ▶ SV Partners were appointed as the Administrator of a home building company in New South Wales facing significant financial issues and with outstanding commitments to clients.

#### The Solution

- ▶ We successfully traded the builder through a Deed of Company Arrangement over the course of 4 years.
- ▶ Through the process, we were required to navigate home owner warranty issues and during our engagement, we identified flaws in law which do not ordinarily allow companies to trade. Due to the legislation, home owners were able to claim remedial works through their insurer as apposed to engaging the builder to complete the work.

#### The Outcome

- ▶ As a result of our engagement, we were able to secure a return of 75 cents in the dollar to creditors.

# Our Offices



SV Partners is a specialist accounting and expert advisory firm focused on supporting professionals and their clients.

We provide professional corporate and personal insolvency accounting, turnaround strategy advice, forensic and advisory services to accountants, financial institutions, corporations, financial and legal advisors, and their clients. SV Partners are the professional's proven partner.

## Adelaide

Level 4, 12 Pirie Street  
Adelaide SA 5000  
t 08 7077 2444  
e [adelaide@svp.com.au](mailto:adelaide@svp.com.au)

## Dubbo

34 Church Street  
Dubbo NSW 2830  
t 02 6882 8995  
f 02 6882 8975  
e [dubbo@svp.com.au](mailto:dubbo@svp.com.au)

## Mackay

Cnr Sydney and Gordon Street  
Mackay QLD 4740  
t 07 4953 4060  
f 07 3229 7285  
e [mackay@svp.com.au](mailto:mackay@svp.com.au)

## Parramatta

Level 4, Suite 405, 55 Phillip Street  
Parramatta NSW 2150  
t 02 8986 8986  
f 02 8986 8999  
e [parramatta@svp.com.au](mailto:parramatta@svp.com.au)

## Sunshine Coast

Level 6, La Balsa 45 Brisbane Road,  
Mooloolaba QLD 4557  
t 07 5414 3000  
f 07 5414 3020  
e [sunshinecoast@svp.com.au](mailto:sunshinecoast@svp.com.au)

## Toowoomba

610 Ruthven Street  
Toowoomba QLD 4350  
t 07 4639 6140  
f 07 3229 7285  
e [toowoomba@svp.com.au](mailto:toowoomba@svp.com.au)

## Brisbane

22 Market Street  
Brisbane QLD 4000  
t 07 3310 2000  
f 07 3229 7285  
e [brisbane@svp.com.au](mailto:brisbane@svp.com.au)

## Gold Coast

Level 3, 12 Short Street, Southport  
Gold Coast QLD 4215  
t 07 5503 4960  
f 07 5503 4961  
e [goldcoast@svp.com.au](mailto:goldcoast@svp.com.au)

## Melbourne

Level 17, 200 Queen Street  
Melbourne VIC 3000  
t 03 9669 1100  
f 03 9670 4435  
e [melbourne@svp.com.au](mailto:melbourne@svp.com.au)

## Perth

Level 8, 68 St George's Terrace  
Perth WA 6000  
t 08 6277 0026  
e [perth@svp.com.au](mailto:perth@svp.com.au)

## Sydney

Level 7, 151 Castlereagh Street  
Sydney NSW 2000  
t 02 8986 8986  
f 02 8986 8999  
e [sydney@svp.com.au](mailto:sydney@svp.com.au)

## Wollongong

Level 12, 200 Crown Street  
Wollongong NSW 2500  
t 02 4227 4086  
f 02 4227 4068  
e [wollongong@svp.com.au](mailto:wollongong@svp.com.au)

## Caringbah

Suite C-201, 16 Wurrook Circuit  
Caringbah NSW 2229  
t 02 9531 8365  
f 02 9531 8367  
e [caringbah@svp.com.au](mailto:caringbah@svp.com.au)

## Hobart

27 Elizabeth Street  
Hobart TAS 7000  
t 03 9669 1100  
e [hobart@svp.com.au](mailto:hobart@svp.com.au)

## Newcastle

Suite 2, Level 1, 1 Market Street  
Newcastle NSW 2300  
t 02 4023 0847  
f 02 8986 8999  
e [newcastle@svp.com.au](mailto:newcastle@svp.com.au)

## Rockhampton

222 Quay Street  
Rockhampton QLD 4700  
t 07 4994 1854  
f 07 3229 7285  
e [rockhampton@svp.com.au](mailto:rockhampton@svp.com.au)

## Tamworth

Shop 7, 345 Peel Street  
Tamworth NSW 2340  
t 02 6768 3399  
f 02 6768 3300  
e [tamworth@svp.com.au](mailto:tamworth@svp.com.au)