



svpartners

specialist accountants & advisors

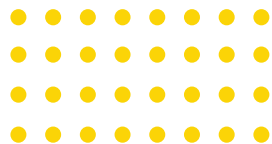


# Building & Construction

Solutions for Every Situation

[svpartners.com.au](http://svpartners.com.au)

1800 246 801





# The Sector

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



The building and construction sector is one of Australia's largest, employing over 1,340,000 workers (Jobs and Skills Australia, 2023).

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.

# Our Approach

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

SV Partners has been working with small to medium businesses across industries to help with financial stress for over 20 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 140.

In addition to our metro offices, SV Partners maintains a strong regional focus in QLD and NSW with offices in Mackay, Townsville, 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

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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 before discussing options for moving forward.

## Our Services

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

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

## 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 (i.e. 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 preappointment workmanship. This enabled a greater return to the secured creditor than would have been available in a complete shut-down scenario.

## 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.

# Case Studies

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## 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 prolonged negotiations with a few specific debtors, we managed to settle all outstanding debts owed to priority creditors in full. Additionally, we were able to allocate a portion of the funds to unsecured creditors.

## 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 negotiated a licence agreement to assume control and manage the ongoing operations of the business. The aim was to facilitate the sale of the company's business operations and assets to meet the obligations owed to secured creditors. Through this agreement, SV Partners sought to optimise the value of the assets and ensure a favorable outcome for all stakeholders involved.

### 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

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## 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

- ▶ Over a span of four years, we effectively managed the operations of the builder by implementing a Deed of Company Arrangement.
- ▶ Throughout this period, we encountered challenges related to home owner warranty issues. Our involvement also led to the discovery of legal loopholes that typically restrict companies from trading. As a result of these legislative gaps, home owners were able to seek remedial works through their insurer rather than relying on the builder to fulfill their obligations.

### The Outcome

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

## Residential Construction Business - Small Business Restructure

### The Situation

- ▶ The company operated as a renovation and residential construction business, holding a QBCC license. This license signifies compliance with the Queensland Building and Construction Commission's regulations and standards, allowing the company to legally undertake construction and renovation projects in Queensland.
- ▶ The company, like many others in its industry, grappled with a combination of challenges: flooding, COVID lockdowns, and the constraints of fixed price contracts.

# Case Studies

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- ▶ The company found itself in a challenging financial position, owing approximately \$800,000 to its creditors, with the bulk of this debt accumulated during the COVID-19 pandemic.

## The Solution

- ▶ Creditors accepted a Restructuring Plan which paid approximately 18 cents in the dollar to creditors;

## The Outcome

- ▶ The company has sustained profitable operations, free from the threat of creditor actions or requirement to pay legacy debts



# Our Offices

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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 businesses, individuals, accountants, financial institutions, corporations, financial and legal advisors, and their clients.

## Adelaide

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

## Dubbo

By Appointment  
t: 02 6882 8995  
e: dubbo@svp.com.au

## Mackay

Cnr Sydney and Gordon Street  
Mackay QLD 4740  
t: 07 4953 4060  
e: mackay@svp.com.au

## Parramatta

Level 49, 8 Parramatta Square  
Parramatta NSW 2150  
t: 02 8986 8986  
e: parramatta@svp.com.au

## Sunshine Coast

Level 6, La Balsa 45 Brisbane Road  
Mooloolaba QLD 4557  
t: 07 5414 3000  
e: sunshinecoast@svp.com.au

## Toowoomba

610 Ruthven Street  
Toowoomba QLD 4350  
t: 07 4639 6140  
e: toowoomba@svp.com.au

## Brisbane

22 Market Street  
Brisbane QLD 4000  
t: 07 3310 2000  
e: brisbane@svp.com.au

## Gold Coast

Level 3, 12 Short Street Southport  
Gold Coast QLD 4215  
t: 07 5503 4960  
e: goldcoast@svp.com.au

## Melbourne

Level 17 200 Queen Street  
Melbourne VIC 3000  
t: 03 9669 1100  
e: melbourne@svp.com.au

## Perth

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

## Sydney

Level 7 151 Castlereagh Street  
Sydney NSW 2000  
t: 02 8986 8986  
e: sydney@svp.com.au

## Townsville

3/41 Sturt Street  
Townsville City QLD 4810  
t: 07 4724 0000  
e: townsville@svp.com.au

## Caringbah

By Appointment  
t: 02 8986 8986  
e: sydney@svp.com.au

## Hobart

27 Elizabeth Street  
Hobart TAS 7000  
t: 03 9669 1100  
e: hobart@svp.com.au

## Newcastle

Suite 2, Level 1, 1 Market Street  
Newcastle NSW 2300  
t: 02 4023 0847  
e: newcastle@svp.com.au

## Rockhampton

222 Quay St  
Rockhampton Qld 4700  
t: 07 4994 1854  
e: rockhampton@svp.com.au

## Tamworth

307 Peel Street  
Tamworth NSW 2340  
t: 0402 222 158  
e: tamworth@svp.com.au

## Wollongong

By Appointment  
t: 02 8986 8986  
e: sydney@svp.com.au