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specialist accountants & advisors

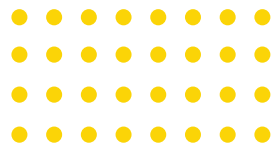


# Manufacturing & Wholesale Trade

Solutions for Every Situation

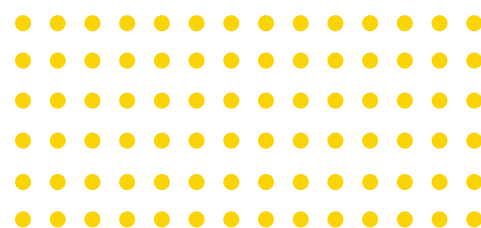
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# The Sector



Manufacturing and Wholesale Trade collectively employs over 1,300,000 workers (Jobs and Skills Australia, 2023). The sector is represented by a diverse range of occupations including structural steel and welding trades workers, metal fitters and machinists, production managers, food and drink factory workers, purchasing and supply logistics clerks, store persons and sales representatives.

The largest employing sectors are Food Product Manufacturing and Machinery and Equipment Manufacturing, accounting for more than 21 percent of all employees. Over 73 percent of businesses classed in this sector made a profit over the 2021-22 period according to the Australia Bureau of Statistics (ABS).

Key ongoing concerns for manufacturers include high energy input prices with electricity up an average of 22%, and gas up an average of 16% in 2023 (Energex Australia, 2023) placing significant pressure on margins and cash flow. Global competition has also reduced overall demand with imports and online sources a key threat to the sustainability of Australian manufacturers.

Workforce development presents another key challenge for Manufacturing and Wholesale Trade businesses with skill shortages an ongoing concern, forcing many to focus on business capabilities, innovation and digitalisation.

*Now, more than ever, businesses need to be proactive, adapt to new ways of doing business and make the most of the new opportunities technology presents.*

# 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.



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# 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 specific requirements and business operations having undertaken many appointments of varying difficulties across the Manufacturing and Wholesale Trade sectors.

## 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.

# Case Studies

# 04

## Safety Equipment Manufacturer - Voluntary Administration to Deed of Company Arrangement

### The Situation

- ▶ The company was renowned for its expertise in designing and manufacturing sophisticated mine safety equipment, along with advanced systems for providing breathing air in confined spaces. Their engineering capabilities spanned various disciplines, allowing them to address complex challenges in the mining industry and ensure worker safety in hazardous environments.

### The Solution

- ▶ Upon conducting a cashflow assessment of the business on appointment, we ceased trading the company's business immediately as it was determined it had seriously insufficient cashflow to sustain the business. However, due to the specialised nature of the business, we pursued a sale through DOCA to extract the greatest value for creditors.
- ▶ We liaised with the Director in relation to her ability in submitting a DOCA proposal and ultimately assisted the drafting of terms, which was accepted by creditors.
- ▶ The company had a moderate amount owing from accounts receivable, relating to the supply of specialised mine safety equipment. Recovering the amounts owing required gaining an understanding of the complex reasons for various disputes, and arranging appropriately qualified persons to rectify those issues, allowing final payment to be processed.

### The Outcome

- ▶ After fulfilling the conditions outlined in the Deed of Company Arrangement (DOCA), the secured creditor received their due payment, and any remaining funds were distributed among the creditors as a final dividend.

# Case Studies

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## Packaging Manufacturer - Creditors Voluntary Liquidation

### The Situation

- ▶ The company was renowned for its production of food packaging, serving as a key supplier to major retailers including Coles and Woolworths. Their primary secured creditor was a prominent top-tier bank.

### The Solution

- ▶ SV Partners were required to deal with and adjudicate on conflicting ownership issues surrounding plant, equipment and IP. The process involved realisation of a large quantity of specialised plant equipment in the packaging industry. It was also necessary to liaise with major retail chains with respect to ongoing supply.
- ▶ We were also required to assess and deal with complex employee entitlement issues.

### The Outcome

- ▶ The finalisation of the matter entailed a complex asset realisation process, during which we collaborated with auctioneers and valuers to conduct auctions for selling assets, thereby ensuring a return to creditors.

## Wine Wholesaler - Creditors Voluntary Liquidation

### The Situation

- ▶ The company was a wine wholesaler and retailer. Numerous wine companies had registered security on the Personal Properties Securities Register (**PPSR**) which on examination, in many cases was invalid. There was a large contingent claim against a partnership where the company was the agent and also a large debt by the partnership owed to the ATO. The secured creditor was owed \$227,000.

# Case Studies

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## The Solution

- ▶ A large number of the suppliers had no PPSR registration and as a result, the Liquidators were able to realise the majority of the company's stock for the benefit of unsecured creditors.

## The Outcome

- ▶ The amount owed to the secured creditor was satisfied in full from debtor collections made possible through the assistance provided by the Liquidators. We managed to have the ATO debt align with the company which also gave rise to a potential unfair preference which would not have ordinarily been available.

## Commercial Food Equipment Wholesaler - Voluntary Administration to Creditors Voluntary Liquidation

### The Situation

- ▶ The company specialised in wholesaling a wide range of commercial food equipment, catering to various businesses in the food service industry.

### The Solution

- ▶ SV Partners were appointed Voluntary Administrator. We continued to trade the business in order to fulfil customer orders and assess whether a Deed of Company Arrangement could be proposed. The company had restrictive distributor agreements in place. Additionally, we were required to deal with a large overseas supplier where there had been claims of collusion with a competitor of the company.

### The Outcome

- ▶ The eventual outcome was no Deed of Company Arrangement but an orderly wind down of the business and realisation of stock as opposed to closing down and selling stock off at auction. The return to the secured creditor was higher compared to what would have been returned due to an immediate shutdown.

# 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.

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