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specialist accountants & advisors

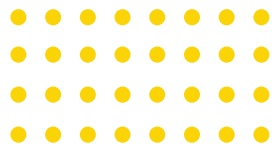


# Transport & Logistics

Solutions for Every Situation

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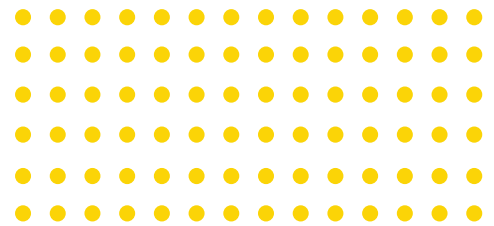
1800 246 801





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# The Sector



The Transport and Logistics sector collectively employs over 741,400 workers (Jobs and Skills Australia, 2023). It is represented by a diverse range of occupations including truck drivers, automobile drivers, bus and coach drivers, couriers and postal deliverers across more than 218,000 businesses.

Over 86 percent of businesses classed in this sector made a profit over the 2021-22 period according to the Australia Bureau of Statistics (ABS). The total income of the Transport & Logistics sector in 2020-21 was \$50.3 billion, making it one of the major contributors to the Australian economy.

Shifting customer expectations are driving an increasing focus on the customer experience for businesses in Transport and Logistics. Customers are seeking more transparency with the ability to track costs and delivery of goods on the go, compelling businesses to make digital connectivity a priority.

Improving efficiency, reducing the costs of global sourcing and implementing a sustainability strategy will become increasingly important. Meeting demands of the supply chain while addressing these modern concerns will be imperative to remaining competitive in the future.

*Improving efficiency, investing in digital technologies and implementing a sustainability strategy will be paramount to the future success of businesses in the sector.*

# 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.

# 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 Transport and Logistics 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.

## Transport Company - Voluntary Administration/Deed of Company Arrangement to Creditors Voluntary Liquidation

### The Situation

- ▶ The business was a large transport company providing services predominantly to growers of fresh produce. They operated a large fleet of vehicles and trailers out of five depots in Queensland and Victoria, with vehicles secured by finance in the name of the company and a partnership.
- ▶ There were 13 other secured creditors with various leases over the majority of the company's fleet of prime movers and trailers. If the business was shut down, the likely shortfall would be \$3.4m. The company's fleet comprised approximately 100 prime movers/trailers and it also utilised approximately 30 other prime movers/trailers from a partnership.
- ▶ The company also owed \$4.5 million to unsecured creditors, with some crucial to ongoing trade, including fuel suppliers.
- ▶ Employee entitlements totalled approximately \$600,000 comprising superannuation and leave entitlements.

### The Solution

- ▶ Upon our engagement, we continued to trade the business and were able to restructure operations through refinancing and employing a new general manager.
- ▶ During the trade on period, we obtained continued support from crucial unsecured creditors who were owed money and were also able to source from other fuel outlets. We negotiated with fuel suppliers and major leasing companies to ensure continued operation of the business.
- ▶ The proposed Deed of Company Arrangement was to pay employees in full and pay a portion to unsecured creditors.
- ▶ We encountered a variety OH&S issues on our appointment and as Voluntary Administrators we were cognisant that we may have personal exposure through trading. Furthermore, trade was effected by seasonal influences and weather.

# Case Studies

# 05

## The Outcome

- ▶ Restructuring the business involved eliminating non-profitable runs and implementation of systems to allow the business to see profitable runs across all states (SA, QLD, NSW & VIC).
- ▶ We were able to secure full payment of \$2.7 million for a creditor through collection of outstanding payments and sale of third party properties.
- ▶ The business continued to trade and payments were made to remaining creditors.

## Freight/Transport Company - Voluntary Administration to Deed of Company Arrangement

### The Situation

- ▶ The business was a freight company which owed significant debts consisting of \$321,000 to a secured creditor and \$140,000 to employees. The company was issued with a Statutory Demand notice from the ATO for \$293,000.

### The Solution

- ▶ SV Partners continued to trade the business to allow consideration of a Deed of Company Arrangement. As the business was in the transport industry, there was an inherent higher risk to continuing to trade.
- ▶ A Deed of Company Arrangement was executed where the secured creditor had to be satisfied within 3 months regarding plans as to how the company would meet commitments. Failure to satisfy these requirements would result in refinancing being sought. Vehicles operated by the company were under finance and would likely have shortfall if sold.

### The Outcome

- ▶ The process resulted in the secured creditor being paid in full and a portion also being paid to unsecured creditors. Employees were paid in full and were able to retain their jobs.

# Case Studies

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## Bus and Coach Operator/Transport - Consulting

### The Situation

- ▶ The client was a bus and coach operator in New South Wales with approximately 70 buses and coach and a turnover of approximately \$12 million annually. SV Partners were engaged to:
  - Assist the Director with insolvency issues,
  - Provide ongoing financial advice
  - Asset protection strategies

### The Solution

- ▶ The Company was placed into Administration and a Deed of Company Arrangement was voted on and executed. The business was sold to a new entity with the old entity retaining the buses and coaches. We were unable to transfer the buses and coaches due to the otherwise large payment of stamp duty and the need to renegotiate the finance contracts over the coaches.
- ▶ We assisted in negotiation with the 14 lending institutions involved in the finance of the business and also provided assistance with options regarding debtor factoring in order to supply working capital to the new company. We continued to provide ongoing advice regarding cash flow management and asset protection strategies.

### The Outcome

- ▶ As a result of our engagement and implementation of the aforementioned strategies, the company was able to secure working capital, put in place processes for securing and protecting its assets and continue trading successfully.

# 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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