

## Solving cash flow problems saves Sydney-based building and construction supplier from going under

J and I Scaffolding Pty Ltd was a Sydney-based supplier of building and construction equipment. It had 28 employees and a turnover of around \$3.5 million.

By mid-2017, it was clear that the company was in financial difficulty. Managing its cash flow was a huge problem. Apart from issues of keeping on top of its account receivable process, there were also discrepancies between their project costing and the actual cost of undertaking contract work.

It was clear the company needed restructuring and its accounting practices reviewed. The BRI Ferrier team were appointed in November 2017 to assist in the company's recovery.

### The key issues

The challenge for the company and the BRI Ferrier team was how to:

- ▲ Restructure the firm's management processes to ensure difficulties were corrected and minimised.
- ▲ Keep the firm operating so it could trade into the future.
- ▲ Continue existing projects.
- ▲ Realise current invoicing and recover monies owed to the company.
- ▲ Realise retention funds held on different projects/contracts.

### The strategy

A restructuring strategy was put into place to help the company's director overcome operational issues. This involved:

- ▲ Implementing accounts receivable controls – clarifying when debtors were due and when they needed to be followed-up.

- ▲ Supporting the business owner in the planning process – helping him think about the real cost of doing business.
- ▲ Negotiating in order to maintain relationships with key suppliers.

We ensured that statutory lodgment and other issues were dealt with quickly. This provided key stakeholders with the reassurance that the restructuring would mean the business would continue to operate and fulfil its obligations.

### The outcome

The business was restructured and is now trading profitably. All contracts were completed, invoicing realised. Retention funds are being recovered as and when they become available. Priority creditors will be paid in full. It is expected that unsecured creditors to be paid a dividend of around 50 cents in the dollar.

### How BRI Ferrier can help

We can assess your current situation and advise on a path forward to minimise further risk.

Early intervention is often the key for a successful restructure of your business. We will develop and implement a restructuring strategy that is in the best interest of all stakeholders.

## Key contact

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## Need advice?

Our broad experience and industry resources equips us to assist in the most complex situations. [Contact us](#) to find out how we can support you.

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