

# Small Business Restructuring Specialists



**Government Legislated Business Restructuring in just 7 weeks**

**We help keep the doors open  
for Australian small businesses**



At Small Business Restructuring Specialists, we work with Australian business owners, directors and their accountants to help navigate the financial aftermath affecting thousands of Australian businesses impacted by world events over the past few years.

You might have:

- Tax debt or ATO repayment plan killing cashflow
- Received an ATO Warning or Director Penalty Notice (DPN)
- A business that would be solvent and profitable if not burdened by debts

If so, then a Restructure could offer the lifeline you need to get you back in the black.

## WHAT IS RESTRUCTURING?

Small business restructuring is the new government legislated option available to small businesses in Australia who are struggling with cashflow and avoiding closure.

Introduced in early 2021, the process involves appointing a Small Business Restructuring Practitioner, like SBR Specialists to work with business owners to develop a restructuring plan that is approved by creditors.

The plan involves a reduction in debt and other measures to help you get back on your feet.

## RESTRUCTURING VS LIQUIDATION?

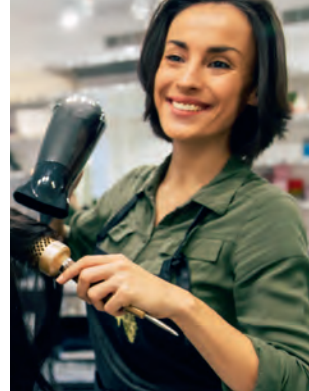
Before the introduction of small business restructuring, the only options available to small business was liquidation or voluntary administration. Liquidation meant the closure of the Company, while administration is often a lengthy process and typically too expensive.

Liquidation involves winding up the company including the termination of employees, the sale of assets and typically a nil return to creditors. SBR Specialists is focused on developing a plan to restructure the company's affairs and operations to avoid insolvency.

Small business restructuring is generally a more favourable option for small businesses, as it allows you to continue trading and avoid the negative consequences of liquidation, such as reputational damage and the mental strain of having to close a business that for many is the result of years of hard work. It also sees the payment of superannuation entitlements and a return to creditors.

	LIQUIDATION	SMALL BUSINESS RESTRUCTURING
PURPOSE	To sell or recover assets and pay any excess to creditors via dividends.	To enable a struggling business to become financially sustainable and survive with manageable debts.
OUTCOME	Company ceases to exist.	Company continues to operate.
TRIGGER	Insolvency, inability to pay debts or court action.	Financial difficulty or potential insolvency.
CREDITOR IMPACT	Creditors are paid in order of priority with employee entitlements paid first. Typically no dividends to other creditors. Creditors lose a customer.	Creditors receive a dividend as part of an agreed plan. Creditors have the opportunity to retain you as a customer.
OWNER INVOLVEMENT	Liquidator is appointed. Owners and/or directors are removed.	Shareholders and directors remain in place. Directors responsible for the continued operation of the business.
FLEXIBILITY	Limited as the goal is to finalise the company and pay any funds to creditors as dividends.	<b>Almost unlimited</b> - Directors can offer a restructuring plan to creditors that meets the capability and future goals of the company.





## WHO CAN BENEFIT FROM A RESTRUCTURE?

At SBR Specialists, we work with businesses across a vast array of industries including:

- **Hospitality:** including cafes, restaurants, and bars, affected by COVID-19 restrictions and reduced tourism
- **Retail:** including small shops and boutiques, affected by COVID-19 restrictions and increased online competition
- **Construction:** including small builders and subcontractors, struggling with cash flow due to delayed payment or bad debtors
- **Manufacturing:** including small factories and workshops, which may experience reduced demand or supply chain disruptions

However, it's important to note that any business that meets the eligibility criteria, can potentially benefit from restructuring and our team have the experience and agility to tailor restructures to the unique circumstances of each business.

## CAN ANYONE RESTRUCTURE?

Whilst we can help most businesses, the government has outlined some eligibility criteria that must be met. To be eligible, a business must meet, at least, the following criteria:

- Be a company with an A.C.N.
- Have less than \$1 million liabilities
- Be insolvent or likely to become insolvent
- Can comply with tax reporting obligations within 20 days
- Can comply with SGC obligations within 20 days

It's important to note that the SBR process is only available to companies, not sole traders or partnerships.

## HOW MUCH CAN BE SAVED FROM A RESTRUCTURE?

The ultimate goal is to save the business, however, this is done through restructuring debts and payment terms, and for many of our clients this does involve negotiating significant reductions in their outstanding debts.

Below is an example of a restructure SBR Specialists recently completed.

### STARTING FINANCIAL POSITION:

- Total debt \$569,257
- ATO warnings
- Creditor threats

### AFTER AN SBRS RESTRUCTURE:

- Restructure Plan accepted by debtors (including ATO) – \$149,200
- Agreed payment term under restructure – 35 months
- Agreed outgoings after restructure –
  - \*\$3,000 for 23 months
  - \*\$4,600 for 12 months
  - \*one off \$25,000 payment at month 35
- TOTAL SAVING \$429,057



# Small Business Restructuring Specialists



## WHO ARE WE?

Small Business Restructuring Specialists are a small committed team of industry professionals, qualified accountants and business owners with decades of experience across many business sectors.

We have made it our mission and focus to help Australian businesses keep the doors open rather than heading to closure and liquidation.

Not only are we good at restructuring, we are passionate about keeping Australian business alive.

## FAQS

Can I restructure myself?

**Under legislation, only a registered Restructuring Practitioner can administer a restructure.**

How long does it take?

**Typically up to 35 business days - as mandated by the Corporations Act. That is just 7 weeks!**

Do creditors have to accept the restructuring plan? -

**All affected creditors are able to vote on whether to accept a plan. However, once a plan is approved all eligible creditors must abide by its terms.**

Can creditors take legal action during the restructure process?

**Commencement of restructuring process means affected creditors cannot continue or commence court or other recovery action against the company.**

How much does it cost?

**All consultations are free and will ascertain whether your business meets the eligibility criteria. The process is a fixed fee and dependent upon the complexity of the restructure.**

## HOW TO CONTACT US?

To organise your FREE consultation and find out if a SBRS restructure could help to keep your doors open, contact us below.



Or visit [www.smallbusinessrestructuring.com.au/book-a-meeting](http://www.smallbusinessrestructuring.com.au/book-a-meeting)  
Telephone: 1300 947 465 | Email: [consult@smallbusinessrestructuring.com.au](mailto:consult@smallbusinessrestructuring.com.au)