



Client / Matter

The client, a national retail bank, was a lender to a group of 15 'related' companies which operated earthmoving, property development and retail businesses.

Appointment

We were engaged to prepare an Investigating Accountant's report and were subsequently appointed as Receivers and Managers.

Issue

The group had developed a number of businesses which were owned by 'related' companies. Our Investigating Accountant's report identified that:

- all cash was funnelled through two companies and no meaningful financial records had been maintained to accurately record the extent of such inter-company transactions
- one person was the central figure within the group, notwithstanding that person was not a director of all of the companies within the group
- the group owned a large property portfolio, including developed and undeveloped commercial/industrial land
- the group held one of the largest fleets of earthmoving equipment in Australia. There were over 200 substantial items of equipment and a further 900 items of lesser value. Much of the equipment was on hire purchase or lease, involving over 20 financiers. There was no complete register of equipment held. Some of the equipment appeared to be leased with two financiers and some appeared to be owned by third parties (without the bank's knowledge)

Solution/Outcome

Taylor Woodings:

- implemented a simple integrated accounting system
- implemented an asset register and lease schedule for over 1,000 items of earthmoving equipment
- located and prepared for the sale of earthmoving equipment from numerous locations around Australia
- arranged the sale of a number of businesses as going concerns as well as the property portfolio and the extensive fleet of earthmoving equipment
- worked closely with the bank and its solicitors to resolve issues in relation to assets held in trust, offers being made by guarantors and the proper discharge of directors' legal responsibilities
- undertook investigations into the affairs of the group which resulted in fraud charges being laid against certain officers of the group

Notwithstanding the complexity of the matter, due largely to the behaviour of certain officers of the group prior to and during the receiverships, significant realisations were achieved for the bank.

**Client / Matter**

The matter involved a company which provided treasury and accounting services to a complex group of related entities that undertook property developments across Australia.

Appointment

We were appointed Voluntary Administrators to the company.

Issue

The group, funded in part by retail investors, had extensive cost overruns on property development projects and hence severe cashflow difficulties. ASIC Stop Orders had been issued in respect of further fundraisings.

The company acted as the treasurer of the group and had inter-company loan accounts of over \$300m with other entities within the group. It also held direct interests in some properties, shareholdings in related companies and security over certain assets.

At the time of our appointment there was a winding up application on foot.

Solution/Outcome

Taylor Woodings:

- outlined the financial position of the company and related entities
- outlined the security position of the retail investors, identifying apparent security and fund flow irregularities
- prepare a detailed report in a short timeframe, which was presented to the Federal Court
- sought to develop a Deed of Company Arrangement aimed at minimising losses to the retail investors
- our appointment ceased upon the appointment of a court-appointed liquidator

We produced a detailed report in ten business days for the benefit of unsecured creditors. ASIC and the Federal Court commended us on the quality of the report.



Client / Matter

The client, a national retail bank, had a significant exposure to a property development site in Sydney.

Appointment

We were appointed Receivers and Managers over part of the development site by the secured creditor.

Issue

The development site consisted of three individual lots. The bank's security only extended to two of the lots, the third being owned by an unrelated third party. However, there was only one Development Approval for all three sites, which gave permission to construct two, eight storey apartment towers.

The company, which owned the development site, had been attempting, in conjunction with the unrelated third party, to sell the development site subject to a pre-agreed allocation of proceeds between the company and the third party. However, several sales had fallen through and the bank considered its security was at risk.

Solution/Outcome

On our appointment we entered into negotiations with the third party lot-owner to vary the existing agreement between the Company and third party in order to provide a more flexible framework in which to conduct a sale. This was necessary as the third party had unrealistic expectations as to the value of the asset and was effectively blocking a sale at fair market value.

Following the successful re-negotiation with the third party lot-owner we conducted a successful sale campaign that resulted in the secured creditor being paid in full.