

CASE STUDY

CARE HOME GROUP

Background

- £9m turnover, 400 bed care home group with 6 properties
- Profitable with high occupancy – and growing
- Highly geared, high owners drawings
- Poor financial control leading to departure of full-time FD in 2007
- Placed in banking business support team due to gearing levels and management concerns
- Introduced to FDYL in late 2007

Phase 1 initial management

- Initial project was cash flow / credit control
- Advisers appointed June 2008 to enact a trade sale – after deal aborted in March due to buyer finances
- Full overhaul of financial management system
- Production of monthly management information
- In 2009 the bank appointed large accounting firm as their adviser & FDYL associate appointed as interim FD to the business
- FDYL provided restructuring and disposal advice working closely with the banks' advisers

Phase 2 controlled disposal

- Preparation of disposal plan and management of sale process
- Offload loss making private business interests
- Negotiate sale of non-core assets
- Manage the key stakeholders with banks' advisers
- Trade sale of core business
- Virtual full recovery (£18m) for the bank