

CASE STUDY

CONSTRUCTION GROUP

Background

- £5m turnover construction & demolition group of businesses.
- Historically profitable with strong asset base until downturn in 2009.
- Rapid increase in overdraft facility leading to being placed in business support.
- Major accounting firm asked FDYL to assist due concerns regarding the management information and management team.

Phase 1 all hands on deck

- Assessment of current management team.
- Review of management information and financial controls.
- Implementation of robust 13 week cash flow forecast.
- Recreation of missing accounting records.
- Initial recommendations presented to the bank

Phase 2 assess the validity of the business

- Continued management of short term cash flow.
- Engagement with HMRC / other creditors.
- Investigation of the hire fleet and other fixed assets.
- Assessment of current revenue streams and trading for each business.
- Consideration of the viability of each business and review of budgets and cash flows
- Key findings and recommendations presented to the bank

Phase 3 strategic review/ restructuring advice

- Combined approach with major accounting firm to perform full strategic review and provide restructuring advice
- Continued monitoring of the cash flow
- Continued provision of financial management
- Input into restructuring of management team