



SBR Case Study

Educational Services



In 1999, our client commenced operating as an International Student Enrolment Centre for several Australian schools. The business's Managing Director has been a keynote speaker on international marketing and recruitment of international students many times, including for Austrade in Tokyo, Hong Kong, and Bangkok and for Commonwealth Bank Women in Global Exports. With more than 25 years of experience in the industry, the managing director has also been a speaker on international marketing and recruitment of international students for Austrade in Tokyo, Hong Kong, and Bangkok and for Commonwealth Bank Women in Global Exports.

The business has generated an export tuition value of \$75 million for schools in Australia alone.

Debt

The debt within this SBR was approximately \$210,000 to the ATO.

Background

Due to government restrictions during the COVID Pandemic, the business suffered significantly. As overseas students could not enter Australia, the business could not generate any income. However, the business was required to assist students in returning to their home country, suspend enrolments, source host families to accommodate students, and also provide assistance to students who contracted COVID-19.

On the lifting of government restrictions around students being able to enter Australia and following growing confidence from families to allow their children to return to Boarding Schools in Australia since mid-2023 the business has seen an explosion of inquiries and revenue has continued to increase.

Unfortunately, one Director also experienced serious health complications after receiving the second COVID-19 vaccine and was forced to retire from the business. Therefore, day-to-day operations were left to the Managing Director, as the Directors had no alternative but to terminate all staff during COVID.

Proposal

The proposal provided monthly instalments over a 24-month, making a total commitment of \$48,000. Creditors voted to accept the restructuring proposal, which resulted in a 21c/\$ return.

Outcome

The business has continued to trade profitably and has taken various steps to improve its position, including:

- Securing several new schools as clients.
- The Director is completing her qualification to enable her to become registered to process international student visas. This is a significant value-added service to the business.
- Create an accurate and detailed cash flow and commit to updating it monthly and tracking progress compared to the cash flow and budget.
- Conducted a detailed analysis of operating expenditure to achieve further cost savings and reduce overheads.



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