



SBR Case Study

Medical/Physiotherapy



Our client operates in the medical industry providing at home physiotherapy services across Tasmania and Queensland. Pre-COVID, 90% of the business was providing Physiotherapy services to Aged Care Providers in Nursing Homes.

The business was adversely impacted by the COVID pandemic, due to restrictions being placed on limited access to Nursing Homes, many patients were sick with or isolated due to COVID-19 and not allowed treatment and due to the nature of the business, working with the most vulnerable population, staff had to be symptom free and have negative COVID-19 tests before they could enter any facility. These events saw the business experience a significant decrease in revenue and its client base.

Debt

Total debt within this SBR was approx \$730,000, with approximately \$570,000 owing to the ATO.

Background

Due to government restrictions put in place surrounding COVID-19, limiting access to Nursing Homes, the business suffered significantly and was unable to provide previously offered physiotherapy to many of its clients and ultimately 90% of business ceased effective immediately.

This was then compounded by the requirement for increased Personal Protective Equipment when seeing patients including, gloves, masks, goggles, aprons, Covid tests etc. All of which were expensive and again increased financial pressures on the Company.

Proposal

The proposal provided for monthly payments over a period of 28 months, making a total commitment of \$178,262.

Creditors voted to accept the restructure proposal which resulted in a 23.07c/\$ return.

Outcome

The business has continued to trade profitably and has taken various steps to improve its position moving forward and to ensure ongoing profitability, including:

- Review of income and implemented ways to increase revenue, eg increase of available billable hours for on site visits, providing new value adding services to offerings.
- Undertaking a review of current assets and realising assets that are surplus to the business needs.
- Implementation of KPIs and staff training surrounding productivity to increase profitability.
- Conducted a detailed analysis of operating expenditure in order to achieve further costs savings, therefore reducing overheads.



Shelley Brooks

Director

+61 421 081 691

sbrooks@roddersreidy.com.au

A MEMBER OF  BTG Global Advisory